

Message Text

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43

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E.O. 11652: N/A

TAGS: ENRG, YO

SUBJECT: SIGNATURE OF KRSKO CONTRACT

REFS: A) ZAGREB 0738; B) STATE 178048

SUMMARY: CONTRACT FOR KRSKO NUCLEAR POWER PLANT (YUGOSLAVIA'S FIRST) SIGNED AUGUST 22 IN FORMER MONASTERY CHAPEL AT KOSTANJEVICA NEAR KRSKO. SPEAKERS INCLUDED AMBASSADOR TOON, WESTINGHOUSE VICE PRESIDENT WELLS, AND SENIOR OFFICIALS S FROM GOVERNMENTS SLOVENIA AND CROATIA. SPEAKERS EMPHASIZED SIGNIFICANCE PROJECT IN DEVELOPMENT US-YUGOSLAV RELATIONS; IN INTRODUCTION NEW TECHNOLOGY TO YUGOSLAVIA; AND IN SATISFACTION YUGOSLAVIA'S NEEDS FOR ELECTRIC ENERGY. PRESS AND TELEVISION HAVE GIVEN EVENT PROMINENCE.
END SUMMARY

1. AT 1445 AUGUST 22, 1974, CONTRACT FOR KRSKO NUCLEAR POWER PLANT (YUGOSLAVIA'S FIRST) AND RELATED PROJECTS SIGNED IN FORMER MONASTERY CHAPEL AT KOSTANJEVICA NEAR KRSKO BY WESTINGHOUSE AND NUMBER ENTERPRISES IN CROATIA AND SLOVENIA (REF A). COMMUNIQUE EXPLAINS CONTRACT CONCERNS 632 MW KRSKO NUCLEAR PLANT; PRODUCTION OF NUCLEAR FUEL AND INSTALLATIONS RELATED TO THIS; A 62MW GAS-TURBINE GENERATOR FOR TRBOVLJE, SLOVENIA; AND A 95MW
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GAS-TURBINE GENERATOR FOR JERTOVEC, CROATIA. ALL TO BE ON

"TURNKEY" PRINCIPLE, WITH THE NUCLEAR PLANT BEGINNING COMMERCIAL OPERATION AT END 1978. COMMUNIQUE PUTS TOTAL COST AT OVER DOLS 500 MILLION, COVERED "IN ADVANCE" BY EXIM LOAN, LOAN FROM CONSORTIUM OF BANKS HEADED BY CITICORP, AND BELGIAN EXPORT CREDIT. LATTER COVERS SOME DOLS 14 MILLION GAS-TURBINE EQUIPMENT PRODUCED BY WESTINGHOUSE BELGIAN AFFILIATE ACEC.

2. PRINCIPAL WESTINGHOUSE REPRESENTATIVES AT SIGNING INCLUDED: R.L. WELLS, VICE PRESIDENT, EUROPEAN REGION; R. E. RICHARDS, MARKETING MANAGER, POWER SYSTEMS PROJECTS DIVISION; AND D.C. PARSONS, PROJECT MANAGER YUGOSLAVIAN PROJECTS, POWER SYSTEMS PROJECTS DIVISION. RICHARDS SIGNED AND WELLS SPOKE FOR WESTINGHOUSE.

3. YUGOSLAV SIGNERS INCLUDED: TONE TRIBUSON, GENERAL DIRECTOR, BUSINESS ASSOCIATION OF ELECTRIC POWER ENTERPRISES, SLOVENIA; JURAJ BRGULJAN, ACTING DIRECTOR SAVSKA ELEKTRARNA, LJUBLJANA (PRINCIPAL INVESTOR); IVAN MEDVEDEC, ACTING DIRECTOR, ELEKTROPRIVREDA, ZAGREB (PRINCIPAL INVESTOR); BRANKO GOLOB, GENERAL DIRECTOR, METALKA, LJUBLJANA (IMPORTER); AND GENERAL DIRECTOR ROBERT STRIKER, MASINOIMPEX, ZAGREB (IMPORTER).

4. DIRECTOR JANEZ DULAR HEADED LARGE GROUP FROM ORGANIZATION "KRSKO NUCLEAR POWER PLANT IN CONSTRUCTION".

5. FEDERAL GOVERNMENT REPRESENTED BY MILJAN SISKI, DEPUTY SECRETARY FOR ENERGY WITH YUGOSLAVIA'S FEDERAL EXECUTIVE COUNCIL.

6. SLOVENIA'S GOVERNMENT REPRESENTATION LED BY MEMBER EXECUTIVE COUNCIL (EC) MIRAN GOSLAR, WHO IS PRESIDENT COORDINATING COMMISSION OF EC FOR ECONOMY AND FINANCE: AND JOZE FLORJANIC, MEMBER EC AND SLOVENIA'S SECRETARY FOR FINANCE.

7. CROATIA'S GOVERNMENT REPRESENTATION LED BY: VICE PRESIDENT EC DR. TODE CURUVIJA, WHO HEADS EC'S COMMISSION FOR FOREIGN AFFAIRS; MEMBER OF EC ENGINEER IVO BAUTOVIC, WHO IS CROATIA'S SECRETARY FOR INDUSTRY; AND MEMBER OF EC ENGINEER OLGA MILICIC-ARSANLAGIC, WHO HOLDS NEW PORTFOLIO FOR COORDINATION ENERGY MATTERS.

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8. KRSKO OPCINA (COUNTY) ASSEMBLY REPRESENTED BY ITS PRESIDENT NIKO KURENT.

9. CROATIA'S ASSOCIATION ELECTRIC POWER ENTERPRISES REPRESENTED BY ITS DIRECTOR, ENGINEER HAKIJA HASAN BEGOVIC.

10. SPEAKERS WERE AMBASSADOR TOON; VICE PRESIDENT WELLS; VICE PRESIDENT CURUVIJA; EC MEMBER GOSLAR; GENERAL DIRECTOR

TRIBUSON; DIRECTOR BEGOVIC; DIRECTOR DULAR; AND PRESIDENT KURENT.

11. AMBASSADOR TOON, WHO ACCOMPANIED BY ECON-COMMERCIAL COUNSELOR YORK, CG WILSON, AND ECON-COMMERCIAL OFFICER VON DEN STEINEN, STRESSED KEY IMPORTANCE CONTRACT WITHIN OVERALL AND COMMERCIAL FRAMEWORKS BILATERAL RELATIONS. HE EMPHASIZED THAT EXIM'S LOAN OF OVER DOLS 200 MILLION IS WITNESS TO IMPORTANCE USG ATTACHES TO THESE RELATIONS. AMBASSADOR CONGRATULATED WESTINGHOUSE AND YUGOSLAV PRINCIPALS ON SUCCESSFUL CONCLUSION OF LONG, COMPLEX NEGOTIATIONS. NOW ROAD CLEAR FOR CLOSE COOPERATION IN COMPLETION PROJECTS. AMBASSADOR READ SECRETARY DENT'S CABLE (REF B) EXPRESSING SECRETARY'S REGRETS AT BEING UNABLE ATTEND SIGNING AND CONGRATULATIONS TO PARTIES TO CONTRACT. SECRETARY DENT'S MESSAGE MUCH APPRECIATED,

12. VICE PRESIDENT WELLS STRESSED "THE WHOLE WESTINGHOUSE FAMILY" IS BEHIND THE PROJECT. WESTINGHOUSE WILL TRAIN YUGOSLAV ENGINEERS IN NUCLEAR POWER FIELD. HE CONGRATULATED REPUBLICS OF CROATIA AND SLOVENIA ON THEIR FORESIGHT IN LOOKING TOWARD NUCLEAR POWER LONG BEFORE 1973'S ENERY CRISIS.

13. VICE PRESIDENT CURUVIJA IN UNDERSCORING PLANT'S IMPORTANCE AS KEY TO MEETING ENERGY REQUIREMENTS IN CROATIA, SLOVENIA, AND YUGOSLAVIA AS WHOLE ALSO ATTACHED SIGNIFICANCE TO BENEFITS WHICH WOULD ACCRUE TO YUGOSLAVIA FROM INTRODUCTION NEW TECHNOLOGY. HE ALSO LOOKED FORWARD TO THE DAY "SOON" WHEN CROATIA AND SLOVENIA WOULD BE COOPERATING ON SECOND NUCLEAR POWER PLANT PROJECT: ONE IN CROATIA "ABOUT 20 MILES EAST OF ZAGREB." DR. CURUVIJA, WHO ASSESSED HIGHLY IMPORTANCE KRSKO TO US-YUGOSLAV RELATIONS, EXPRESSED MUCH APPRECIATION FOR USG SUPPORT ON PROJECT.

14. EC MEMBER GOSLAR EMPHASIZED SLOVENIA'S SATISFACTION THAT UNCLASSIFIED

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WORK ON KRSKO PACKAGE COULD BEGIN. HE THANKED USG FOR ITS SUPPORT AND HOPED AMERICAN EMBASSY AND CONSULATE GENERAL WOULD CONTINUE HELPFUL ROLES DURING YEARS WHEN KRSKO PLANT UNDER CONSTRUCTION.

15. OVER 150 ATTENDED CEREMONY DURING WHICH TELEVISION CAMERA-MEN AND NEWS PHOTOGRAPHERS BUSY. SUCKLING PIGS ROASTED IN FORMER MONASTERY'S COURTYARD AND GUESTS ENTERTAINED AT OUTDOOR LUNCH. TELEVISION EVENING AUGUST 22 AND PRESS NEXT DAY GAVE CONTRACT SIGNATURE PROMINENCE. ZAGREB'S "VEČERNJI LIST", FOR INSTANCE, CARRIED BANNER FRONT PAGE HEADLINE: "ENTRY INTO A-EPOCH". ADDITIONALLY, THERE WERE PHOTOGRAPHS OF CEREMONY, SKETCHES OF PLANT TO BE, AND DETAILED COVERAGE BASED ON COMMUNIQUE.
WILSON

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